

RETAIL MARKET ANALYSIS

The Martinez study area's revitalization program is intended to enhance its position as a commercial center for retail trade area residents. This section provides estimates of market support for retail uses in both the retail trade area and in the study area. The retail trade area designated for this research, as shown in the Demographic Overview, is based on drive time estimates from the study area and research regarding where existing and potential customers of study area businesses originate.

Retail Sales Potential and Supportable Space

The methodology for estimating statistical market support for retail space in the trade area is displayed in Tables RD-2 through RD-5. This methodology applies expenditure potential¹ by type of merchandise to trade area population figures in order to obtain potential sales volume for trade area residents. Given the fact that expenditures of households residing in the area immediately to the north of the study area (including Evans) is significantly above that of trade area residents and that these households will be a primary target market for new retail development in the study area, per household expenditures are adjusted to better reflect potential sales within the study area.

Potential sales are divided among six merchandise and service categories: *shoppers goods, convenience goods, food & beverages, automotive products, personal services* and *other retail expenditures*. Table RD-1 specifies the types of goods and services within several of these categories. For instance, "apparel" includes women's apparel, men's apparel, children/infant's apparel, footwear, watches and jewelry.

Exhibit RD-1

SUMMARY OF MERCHANDISE AND SERVICE CATEGORIES

Merchandise/Service Category	Types of Goods/Services
Apparel	Women's Apparel, Men's Apparel, Children's/Infant's, Footwear, Watches & Jewelry
Home Furnishings	Furniture, Floor Coverings, Major and Small Appliances, Household Textiles, Floor Coverings, PC Software and Hardware, Housewares, Dinnerware, Glassware, Lighting
Misc. Specialty Retail	Pet Care, Books & Periodicals, Sporting Equipment, Toys & Hobbies, Video Cassettes & Games, TV/VCR/Cameras, Audio Equipment
Food & Beverages	Food Away From Home, Alcoholic Beverages
Automotive Products	Gasoline, Motor Oil & Auto Fluids, Tires, Accessories, Parts & Equipment, Repair
Personal Services	Personal Care Services, Shoe Repair, Video Rental, Laundry & Dry Cleaning, Alterations, Clothing Rental & Storage, Watch & Jewelry Repair, Photo Processing & Supplies

Source: ESRI BIS

Estimates of sales per square foot of store space derived from the Urban Land Institute's *Dollars and Cents of Shopping Centers* are used to convert adjusted potential sales to supportable space estimates. In Table RD-2, for

¹ Consumer spending is estimated from the Bureau of Labor Statistics Consumer Expenditure (CEX) Surveys. The CEX surveys have been used for over a century to provide data to study consumer spending and its effect on gross domestic product.

example, in the case of apparel, potential sales of \$301,095,144 at sales per square foot of \$194 will support 1,552,037 square feet devoted to this type of merchandise.

Table RD-2 shows that in 2003, there was the potential for approximately 10.5 million square feet of retail space based on potential expenditures of residents who reside in the retail trade area. That is, trade area residents have the potential to generate sales demand that will support 10.5 million square feet of retail space. However, these potential expenditures by residents may occur outside of the trade area if desirable goods and services are not offered within the trade area.

Exhibit RD-2

RETAIL EXPENDITURE POTENTIAL
Retail Trade Area
2003

Merchandise or Service Category	Per Household Expenditure	Potential Sales Volume	Target *Sales (\$/sq.ft.)	Potential Supportable Space(Sq. Ft.)
Apparel	\$2,841	\$301,095,144	\$194	1,552,037
Home Furnishings	\$2,394	\$253,651,968	\$189	1,342,074
Home Improvement	\$787	\$83,346,120	\$199	418,825
Misc. Specialty Retail	\$2,650	\$280,812,312	\$179	1,568,784
Shoppers Goods		\$918,905,544		4,881,719
Grocery	\$4,750	\$503,340,624	\$375	1,342,242
Pharmacy /Pers Care Products	\$913	\$96,751,440	\$319	303,296
Convenience Goods		\$600,092,064		1,645,538
Food & Beverages	\$3,517	\$372,667,896	\$227	1,641,709
Automotive Products	\$2,782	\$294,800,472	\$231	1,276,193
Personal Services	\$1,246	\$132,071,544	\$136	971,114
Other Retail Expenditures	\$198	\$20,982,240	\$201	104,389
Total		\$2,339,519,760		10,520,662

Potential Supportable Retail Space

10,520,662

Note: Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers." Expenditures are adjusted to reflect above average expenditures of households living in close proximity to the study area. Data presented in 2003 dollars.

Sources: ESRI BIS; Urban Land Institute; Marketek, Inc.

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Table RD-3 displays projected retail expenditure potential for the trade area for the year 2008. Based on population growth and subsequent increases in retail sales for the years 2003-2008, total supportable retail space in the trade area will have increased to 12.5 million square feet by the year 2008.

Exhibit RD-3

RETAIL EXPENDITURE POTENTIAL
Retail Trade Area
2008

Merchandise or Service Category	Per Household Expenditure	Potential Sales Volume	Target *Sales (\$/sq.ft.)	Potential Supportable Space(Sq. Ft.)
Apparel	\$2,893	\$356,615,179	\$194	1,838,223
Home Furnishings	\$2,437	\$300,423,782	\$189	1,589,544
Home Improvement	\$801	\$98,714,616	\$199	496,053
Misc. Specialty Retail	\$2,698	\$332,592,322	\$179	1,858,058
Shoppers Goods		\$1,088,345,899		5,781,877
Grocery	\$4,836	\$596,153,443	\$375	1,589,743
Pharmacy /Pers Care Products	\$930	\$114,591,792	\$319	359,222
Convenience Goods		\$710,745,235		1,948,964
Food & Beverages	\$3,581	\$441,385,493	\$227	1,944,429
Automotive Products	\$2,832	\$349,159,810	\$231	1,511,514
Personal Services	\$1,269	\$156,424,699	\$136	1,150,182
Other Retail Expenditures	\$202	\$24,851,232	\$201	123,638
Total		\$2,770,912,368		12,460,605

Potential Supportable Retail Space**12,460,605**

Note: Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers." Expenditures are adjusted to reflect above average expenditures of households living in close proximity to the study area. Data presented in 2003 dollars.

Sources: ESRI BIS; Urban Land Institute; Marketek, Inc.

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Exhibit RD-4

RETAIL EXPENDITURE POTENTIAL
Retail Trade Area
2013

Merchandise or Service Category	Per Household Expenditure	Potential Sales Volume	Target *Sales (\$/sq.ft.)	Potential Supportable Space(Sq. Ft.)
Apparel	\$2,970	\$387,218,951	\$194	1,995,974
Home Furnishings	\$2,502	\$326,205,357	\$189	1,725,954
Home Improvement	\$822	\$107,186,043	\$199	538,623
Misc. Specialty Retail	\$2,770	\$361,134,515	\$179	2,017,511
Shoppers Goods		\$1,181,744,866		6,278,063
Grocery	\$4,966	\$647,313,755	\$375	1,726,170
Pharmacy /Pers Care Products	\$955	\$124,425,757	\$319	390,049
Convenience Goods		\$771,739,511		2,116,219
Food & Beverages	\$3,677	\$479,264,028	\$227	2,111,295
Automotive Products	\$2,908	\$379,123,781	\$231	1,641,228
Personal Services	\$1,303	\$169,848,653	\$136	1,248,887
Other Retail Expenditures	\$207	\$26,983,899	\$201	134,248
Total		\$3,008,704,739		13,529,941

Potential Supportable Retail Space**13,529,941**

Note: Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers." Expenditures are adjusted to reflect above average expenditures of households living in close proximity to the study area. Data presented in 2003 dollars.

Sources: ESRI BIS; Urban Land Institute; Marketek, Inc.

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Exhibit RD-5
POTENTIAL SUPPORTABLE RETAIL SPACE
Retail Trade Area
2003-2013

Merchandise or Service Category	2003	2008			2013			Total Study Area Capture
	Retail Trade Area	Retail Trade Area	Numeric Increase	Study Area Capture	Retail Trade Area	Numeric Increase	Study Area Capture	
Shoppers Goods								
Apparel				12%			13%	
Potential Sales	\$301,095,144	\$356,615,179	\$55,520,035	\$5,083,211	\$387,218,951	\$30,603,771	\$3,035,466	\$8,118,677
Supportable SF	1,552,037	1,838,223	286,186	26,202	1,995,974	157,751	15,647	41,849
Home/Furniture								
Potential Sales	\$253,651,968	\$300,423,782	\$46,771,814	\$5,612,618	\$326,205,357	\$25,781,574	\$3,351,605	\$8,964,222
Supportable SF	1,342,074	1,589,544	247,470	29,696	1,725,954	136,410	17,733	47,430
Home Improvement								
Potential Sales	\$83,346,120	\$98,714,616	\$15,368,496	\$2,236,613	\$107,186,043	\$8,471,427	\$1,335,605	\$3,572,218
Supportable SF	418,825	496,053	77,229	11,239	538,623	42,570	6,712	17,951
Misc. Retail								
Potential Sales	\$280,812,312	\$332,592,322	\$51,780,010	\$6,213,601	\$361,134,515	\$28,542,193	\$3,710,485	\$9,924,086
Supportable SF	1,568,784	1,858,058	289,274	34,713	2,017,511	159,454	20,729	55,442
Total								
Potential Sales	\$918,905,544	\$1,088,345,899	\$169,440,355	\$19,146,042	\$1,181,744,866	\$93,398,966	\$11,433,161	\$30,579,204
Supportable SF	4,881,719	5,781,877	900,158	101,851	6,278,063	496,185	60,821	162,671
Convenience Goods								
Grocery				10%			12%	
Potential Sales	\$503,340,624	\$596,153,443	\$92,812,819	\$9,281,282	\$647,313,755	\$51,160,312	\$6,139,237	\$15,420,519
Supportable SF	1,342,242	1,589,743	247,501	24,750	1,726,170	136,427	16,371	41,121
Pharmacy/Personal Care Prod								
Potential Sales	\$96,751,440	\$114,591,792	\$17,840,352	\$1,784,035	\$124,425,757	\$9,833,964	\$1,180,076	\$2,964,111
Supportable SF	303,296	359,222	55,926	5,593	390,049	30,827	3,699	9,292
Total								
Potential Sales	\$600,092,064	\$710,745,235	\$110,653,171	\$11,065,317	\$771,739,511	\$60,994,276	\$7,319,313	\$18,384,630
Supportable SF	1,645,538	1,948,964	303,427	30,343	2,116,219	167,255	20,071	50,413
Food & Beverages								
Potential Sales	\$372,667,896	\$441,385,493	\$68,717,597	\$7,558,936	\$479,264,028	\$37,878,536	\$4,545,424	\$12,104,360
Supportable SF	1,641,709	1,944,429	302,721	33,299	2,111,295	166,866	20,024	53,323
Automotive Products								
Potential Sales	\$294,800,472	\$349,159,810	\$54,359,338	\$3,805,154	\$379,123,781	\$29,963,971	\$2,097,478	\$5,902,632
Supportable SF	1,276,193	1,511,514	235,322	16,473	1,641,228	129,714	9,080	25,553
Personal Services								
Potential Sales	\$132,071,544	\$156,424,699	\$24,353,155	\$2,435,316	\$169,848,653	\$13,423,954	\$1,610,874	\$4,046,190
Supportable SF	971,114	1,150,182	179,067	17,907	1,248,887	98,706	11,845	29,751
Other Retail Expenditures								
Potential Sales	\$20,982,240	\$24,851,232	\$3,868,992	\$386,899	\$26,983,899	\$2,132,667	\$213,267	\$600,166
Supportable SF	104,389	123,638	19,249	1,925	134,248	10,610	1,061	2,986
Total								
Potential Sales	\$2,339,519,760	\$2,770,912,368	\$431,392,608	\$44,397,663	\$3,008,704,739	\$237,792,370	\$27,219,518	\$71,617,181
Supportable SF	10,520,662	12,460,605	1,939,943	201,797	13,529,941	1,069,336	122,901	324,698

Note: This exhibit represents the estimated potential demand for new retail sales and space in the Martinez retail trade area in the years 2008 and 2013. This potential demand estimate is based on the projected expenditure potential of retail trade area households by type of merchandise or service and projected household growth.

Sources: ESRI BIS; Urban Land Institute; Marketek, Inc.

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Table RD-4 provides the same type of analysis for the year 2013 when supportable space will have increased to approximately 13.5 million square feet.

Table RD-5 on the previous page distributes increases in sales and supportable retail space among the various retail categories for the years 2003, 2008 and 2013. Table RD-5 also provides an estimate of the study area's capture of the increase in potential sales and demand for space for the years 2008 and for 2013.

Based on this analysis, sales by trade area retailers of selected *shoppers goods* have a potential to reach \$919 million in 2003, \$1.1 billion by 2008 and \$1.2 billion by 2013. In 2003, this sales level would support 4.9 million square feet devoted to *shoppers goods*. By 2008, supportable space for *shoppers goods* is projected to reach 5.8 million square feet of space, and by 2013, supportable space will potentially have increased to 6.3 million square feet.

Utilizing the assumption that the majority of space devoted to *shoppers goods* will continue to be concentrated in the major shopping centers and commercial strip development located in the trade area, the study area's projected capture of the potential increase in total trade area demand for *shoppers goods* during the study period 2003-2013 is conservative. The projection shows that the study area has the potential to capture 12% of the increase in total sales generated by trade area residents by 2008 and an additional 13% by 2013. The study area's capture rates for *shoppers goods* and other retail categories are primarily based on Marketek's experience in similar shopping districts throughout the nation (i.e., the proportion of sales comparable shopping districts have been able to capture), the study area's current retail potential relative to the trade area and the study area's competitive advantages once redeveloped.

Based on these capture rates, the study area has the potential of drawing an additional \$19.1 million in *shoppers goods* sales by 2008 and \$11.4 million by 2013. These increases in sales translate into 101,851 square feet of supportable retail space by 2008 and an additional 60,821 square feet by 2013. *Shoppers goods* that would appeal to the target markets of area employees, residents and visitors include: books, music/tapes/CDs, computers/software, card/stationery/gifts, camera equipment, electronics, flowers, sporting goods, pet supplies, art and craft gallery, jewelry, shoes and men's, women's and children/infant's apparel.

The primary target market for *convenience goods* in the study area will be nearby residents. Twenty-seven percent (27%) of trade area residents live within a seven-minute drive of the study area; 41% live within a ten-minute drive. By 2008, Table RD-5 estimates that the study area should be able to capture at least 10% of the trade area's potential increase in convenience store sales to produce additional sales of approximately \$11.1 million or demand for 30,343 square feet of additional convenience store space. By the year 2013, additional sales of \$7.3 million or approximately 20,071 square feet of new convenience store space is

potentially supportable in the study area.

Primary target markets for restaurants and other eating places (which fall within the *food & beverages* category) are trade area residents, visitors and people who work in area. By 2008, the study area should be able to capture at least 11% of the increase in the sales of *food & beverages* in the trade area resulting in additional demand of approximately 33,299 square feet of such space in the study area.

By the year 2013, the study area should be able to expand its offering of *food & beverage* businesses that will result in an increase of \$4.5 million in sales or demand for 20,024 square feet of additional space. This sales level represents 12% of the increase in total trade area potential demand for *food & beverage* businesses from 2008 to 2013. This is based upon the assumption that by the year 2013, the study area should have established itself as an expanded mixed-use commercial center with a wide variety of specialty shopping, entertainment, restaurants, new housing and office uses.

The study area has the potential to capture 7% of the trade area's *automotive product* sales in 2008 and 2013, translating into sales of \$3.8 million in 2008 and \$2.1 million in 2013. The increase in potential sales of *automotive products* will support an additional 16,473 square feet of space in 2008 and another 9,080 square feet in 2013.

The increase in *personal services* sales for the trade area is projected at \$24.4 million by the year 2008, increasing by an additional \$13.4 million by the year 2013. A 10% capture of increased sales for the trade area would justify an increase of 17,907 square feet of space devoted to *personal services* by the year 2008. Based on a 12% capture by the year 2013, support for personal services space in the study area will have increased by another 11,845 square feet.

The types of *personal services* that might be considered in the retail mix include: laundry/dry cleaners, beauty/barber shops, repair shops for shoes, bikes and film processing. Types of services that will be in demand by area employees and residents of the surrounding neighborhoods might include: banks and financial services, shipping/packing service and copy center.

Table RD-5 shows that the study area should be able to capture 10% of *other retail sales* within the trade area in 2008 and 2013, which would result in 1,925 square feet of retail space in 2008 and 1,061 square feet of space in 2013.

The estimate for new potential demand for retail space in the study area should be considered conservative based on the fact that employee and visitor/tourism expenditures are not factored into the estimate. As discussed in the Demographic Profile, more than 20,000 employees work within a two-mile radius of the study area. Also, interviews have suggested that trade area consumers presently look outside of the Augusta area (e.g., in Atlanta and Charlotte) for higher-end shoppers

goods, indicating a current shortage in the area. Attracting businesses that fill this void will help redirect these sales to the study area.

It is our opinion that with aggressive marketing and various types of incentives, new retail businesses that choose to locate in the study area will be willing to pay lease rates comparable to those paid by tenants in more successful shopping centers throughout the trade area. Experience has shown that successful “town center” developments tend to have trade areas beyond those of conventional retail developments and as they mature, rents and land prices (retail, office and residential) also escalate.

Retail Spending Activity

The Spending Potential Index (SPI) is a measure of market activity developed by ESRI Business Information Solutions and denotes actual dollars *spent* on certain goods and services. When the SPI is equal to 100 for a specific type of merchandise, consumers are buying or spending at a rate equal to the national average. A SPI greater than 100 indicates that consumers are buying or spending above the national average. In other words, the SPI is an indicator of what prices consumers will pay and/or the level of their discretionary income they are willing to devote to a particular good or service. Exhibit RD-6 on the following page shows the SPI of trade area households as well as households within Zip Codes located close to the study area.²

Overall, the data presented in Exhibit RD-6 demonstrate that consumers within the retail trade area buy all of the goods and services displayed at a rate below the national average. This phenomenon is likely a result of the fact that household income levels throughout the retail trade area are moderate and therefore households have less money available for shopping. Also, a below average SPI can be partially attributed to big-box discount stores locally and in nearby cities (e.g., Atlanta and Charlotte) that allow residents to comparison shop to find the “best deal.” Conversely, spending levels of households within nearby Zip Codes (which are significantly more affluent) are consistently above average, illustrating the spending potential of these households.

Although retail trade area households spend less for the goods and services displayed in Exhibit RD-6, spending was closest to the national average for all types apparel (SPI=92): men’s and women apparel (SPI=91), children/infant’s apparel (SPI=94), watches & jewelry (SPI=93) and footwear (SPI=92). Other types of goods and services for which trade area households spend closer to the national average include child care (SPI=99), video rental (SPI=92), luggage (SPI=92), games & toys (SPI=91), furniture (SPI=91), television & video equipment (SPI=91), theater & movies (SPI=91), computer information services (SPI=94) and software (SPI=91). It is important to note that while spending is below average for the various types of goods and services listed in RD-6, retail trade area consumers demand an array of goods and services – on the whole they just tend to

² Nearby Zip Codes include 30809 and 30907, within which the cities of Martinez and Evans are located. Households within these Zip Codes will be a key target market for new study area businesses.

pay less for them. Therefore, moderately priced goods and services would likely be most attractive to these households.

Among households within nearby Zip Codes, spending was far above average for all types of apparel (SPI=121 to 127), child care (SPI=150), cameras & equipment (SPI=129), computer information services (SPI=144) and software (SPI=137), film processing (SPI=132), games & toys (SPI=128), dining out (SPI=124), households furnishings (SPI=129), furniture (SPI=130),

Exhibit RD-6

SPENDING POTENTIAL INDEX OF SELECTED GOODS AND SERVICES
Retail Trade Area and Martinez/Evans Area
2003

Merchandise/ Service Category	Spending Potential Index		Merchandise/ Service Category	Spending Potential Index	
	Trade Area	Martinez/ Evans		Trade Area	Martinez/ Evans
Apparel	92	123	Financial Services		
Men's	91	127	Auto Loans	92	118
Women's	91	121	Home Loans	92	135
Children's	94	124	Investments	89	135
Infant's	94	129	Home		
Footwear	92	116	Home Improvement	87	118
Watches & Jewelry	93	126	Maintenance & Repair	88	118
Other Apparel	92	126	Repair Materials	86	117
Automotive Aftermart	89	120	Housekeeping Services	92	141
Automotive Maintenance & Repair	90	124	Household Furnishings	90	129
Gasoline and Motor Oil	89	118	Household Textiles	90	127
Books & Periodicals	88	122	Furniture	91	130
Cameras & Equipment	89	129	Major Appliances	89	119
Child Care	99	150	Other Household Furnishings	90	130
Computer			Insurance		
Computer Information Services	94	144	Homeowners/Renters	88	118
Personal Computer Software	91	137	Vehicle	90	123
Entertainment			Life	91	124
Entertainment Fees & Admissions	91	136	Health	87	111
Membership Fees	90	133	Lawn & Garden	89	126
Sporting Events	93	140	Luggage	92	139
Sports Participation	91	136	Moving & Storage	91	130
Theater/Movies	91	131	Optical Goods	89	122
Recreational Lessons	93	146	Paint	90	123
Video Rental	92	129	Pets & Supplies	89	128
Film Processing	90	132	Sporting Goods	90	131
Games and Toys	91	128	Telephone Services	90	114
Food & Beverages			Television & Sound Equipment	90	120
Groceries	89	115	Television and Video Equipment	91	125
Bakery & Cereal Products	88	115	Music Equipment/Accessories	90	125
Meats, Poultry, Fish & Eggs	90	113	Cable Television	89	113
Dairy Products	88	116	Rental & Repair of TV/Sound	90	122
Fruits & Vegetables	88	115	Travel	89	130
Other Foods at Home	89	117	Air Fare	89	132
Meals at Restaurants	90	124	Hotels/Motels	89	131
Alcoholic Beverages	90	127	Rental Cars	92	138
Nonalcoholic Beverages	88	114	Food/Drink	89	129

Source: ESRI BIS

household textiles (SPI=127), luggage (SPI=139), pets & supplies (SPI=128)

sporting goods (SPI=131), travel (SPI=130), video rental (SPI=124), television & sound equipment (SPI=125) and music equipment (SPI=125). Higher priced, specialty merchandise would be most appealing to these households, particularly as there appears to be a shortage of such goods and services in the area.

Retail Purchasing Activity by Lifestyle Group

While SPI is a measure of spending activity, the purchase potential index (PPI) measures consumer's tendency to *buy* certain goods and services. In other words, the PPI indicates that there is higher (PPI>100) or lower (PPI<100) than average demand for a product or service. Exhibit RD-7 on the following page displays the PPI for various types of merchandise among the primary lifestyle groups within the retail trade area and nearby Zip Codes. The data displayed in Exhibit RD-7 should be used to gauge the types of businesses that would appeal to certain markets in the retail trade area – e.g., *Enterprising Young Singles* versus *Prosperous Baby Boomers*. In many instances, there is high demand for merchandise among multiple lifestyle groups.

Exhibit RD-7 shows that the primary Lifestyle groups within the retail trade area and in nearby Zip Codes are active consumers with above average demand in several service and merchandise categories. In particular, these Lifestyle groups most often demand children's apparel, baby products, gardening supplies, pet supplies, household furnishings and home improvement items. Primary Lifestyle groups also enjoy dining out at family restaurants and needlework.

The data presented in Exhibit RD-7 should not be used solely to identify businesses that will be "all things to all markets." Attracting niche businesses that serve specific target markets will be the key to a successful business recruitment and retention program in the study area.

Target Markets for Retail Development

To optimize chances for redeveloping the study area as a vibrant mixed-use district, the future business mix should cater to the needs and preferences of its primary target markets. Primary target markets for retail development in the study area are trade area residents (including affluent households north of the study area), employees that work at nearby businesses and visitors (particularly travelers along I-20). The following summarizes the characteristics and preferences of each.

- ***Trade Area Residents***

The demographic characteristics of trade area residents are presented in the Demographic Overview. In 2003, 309,188 people lived within a 20-minute drive of the study area, which is expected to increase to almost 324,031 by 2008. The age distribution of residents is comparable to the state of Georgia, with an almost equal proportion of residents within the "prime consumer age category" (i.e., 25 to 64). While, trade area households generally have incomes below state levels, growing suburbs immediately to the north of the study area are increasingly affluent. In terms of racial and ethnic composition, the trade area population is predominantly white (57%).

Exhibit RD-7

PURCHASE POTENTIAL INDEX OF SELECTED GOODS AND SERVICES AMONG PRIMARY LIFESTYLE GROUPS

Merchandise or Service Category	Primary Lifestyle Groups					
	Young, Frequent Movers	Prosperous Baby Boomers	Enterprising Young Singles	Baby Boomers w/ Children	Semirural Lifestyle	Successful Suburbanites
Apparel						
Purchased women's apparel	98	107	104	103	106	99
Purchased men's apparel	99	110	102	102	107	113
Purchased adult dress shoes	86	123	119	103	114	138
Purchased adult casual shoes	89	120	116	98	121	120
Purchased adult athletic shoes	100	106	104	105	106	104
Purchased children's apparel: 1-5 yrs	99	117	87	103	101	103
Purchased children's apparel: 6-12 yrs	103	113	73	114	111	115
Purchased fine jewelry	106	109	110	104	121	122
Purchased costume jewelry	105	116	94	103	116	116
Purchased watch	103	108	115	103	101	89
Restaurants						
Eat at family restaurants 6+/month	100	119	112	114	110	119
Eat at family restaurants 2-5/month	109	108	100	99	104	105
Eat at family restaurants <2/month	108	102	97	105	111	80
Take out: pizza	101	117	103	112	113	115
Take out: Mexican	100	128	114	111	107	128
Take out: Chicken	82	123	94	92	117	132
Take out: Chinese	109	115	117	92	99	106
Enjoy foreign food	95	120	117	105	114	125
Electronics						
Purchased Separate Components	84	89	110	119	94	82
Purchased Compact/Console Stereo	87	116	116	103	103	99
Own 4+ televisions	82	124	69	112	138	171
Own 2+ VCRs	94	128	92	116	130	144
Own camcorder	97	150	84	124	149	180
Rent 31+ video cassettes	113	128	126	135	123	124
Purchase PC/Software/Peripherals	85	153	114	117	147	196
Gardening						
Indoor gardening/plants	81	119	98	101	117	116
Outdoor flower gardening	93	115	85	114	131	130
Outdoor vegetable gardening	94	96	63	129	124	105
Books						
Purchased paperback book	102	129	112	101	121	142
Purchased hardcover book	84	131	122	101	128	155
Purchased travel book	54	147	116	73	135	196
Purchased children's book	72	116	85	100	122	130
Purchased cook book	100	128	123	113	120	135
Baby Products						
Purchased infant toys	93	128	95	122	118	105
Purchased infant clothing	103	119	93	111	111	108
Purchased infant sleepwear	89	121	93	124	106	116
Pets						
Own dog	130	117	67	119	122	108
Own cat	129	106	87	109	119	110
Use dog/cat treats	129	130	88	123	131	111
PC Usage						
Own PC at home	85	150	111	117	145	189
Use PC at home 10+ hrs/wk	89	147	110	114	148	222
Use/subscribe to Internet	81	155	144	113	137	211
Hobbies/Interests						
Cooking	80	112	114	105	119	123
Bars/nightclubs	94	111	147	103	118	102
Dancing	100	92	138	115	103	90
Needlework	101	111	90	103	102	108
Listening to music	91	115	117	105	114	122
Photography	84	114	103	112	112	132
Household Furnishings						
Purchased household furniture	98	116	105	114	113	109
Purchased tableware/dinnerware	104	115	109	96	107	117
Purchased bedding/bath/linens	97	111	103	104	113	107
Home Improvements						
Made home improvements	107	113	73	115	124	122
Did home remodeling	112	195	56	117	134	121

Note: The Purchase Potential Index (PPI) is household-based and represents the propensity to purchase a product or service relative to the national average of 100. The above data represents how often various lifestyle group households throughout the nation purchase goods and services.

Source: ESRI BIS

The Demographic Overview also expands the analysis of resident demand with detailed Lifestyle profiles of trade area residents. As there is no single dominant Lifestyle group within the trade area, overlapping characteristics of the primary groups should be combined to shed light on consumer preferences and needs. Generally, trade area households are young to middle age, many with school age children. Incomes vary from low to moderate to above average. Primary Lifestyle group households tend to be active consumers, purchasing various types of merchandise and services at above average rates but below average prices. Many lead active lifestyles including exercise, hunting and fishing, dining out and getting take-out and going to the movies.

Based on demographic characteristics of trade area households, Lifestyle data, retail spending and purchasing activity and feedback from stakeholders and realtors, the types of goods that would be most appealing to area residents include: home furnishings and accessories, electronics (including PCs/accessories), pet supplies, gardening supplies, men's, women's and children's clothing, shoes, sports equipment, outdoor gear, children's toys and inexpensive jewelry. The types of convenience goods and services that would appeal to residents (particularly those living within close proximity to the study area) include: take-home/prepared meals, a specialty market, video rental, day care, movie theater, bar/grille, nightclub, drycleaner/alterations and exercise studio/gym.

With ample chain and fast food restaurants scattered along Washington Road, one-of-a-kind restaurants (e.g., ethnic cuisine, deli, sidewalk cafes, pizza, family restaurants, dessert/coffee) that give area residents, employees and visitors a reason to travel to the study area should be targeted. Expanded entertainment options, especially those that invoke a sense of community (e.g., a farmer's market, outdoor theater, concerts and community events), would help separate the study area from nearby shopping venues as well as serve a clear need in the area.

- *Employees*

Employees who work within the immediate vicinity of the study area are a captive market in the sense that they are in the area for at least eight hours a day, five days a week and, consequently, would be likely to shop, run errands and eat out in the study area if the appropriate businesses were present. In other words, more than 20,000 people are within a short drive or walk from the study area five days a week, most of whom represent a significant market for new retail development.

Also a valuable target market are commuters who rely on Bobby Jones Expressway or Washington Road to get to and from work and may look to study area businesses to satisfy a portion of their daily needs (e.g., take-home food, drycleaner/tailor, daycare) if quality businesses were present.

General information on workday shopping behavior from surveys conducted by the International Council of Shopping Centers and other organizations follows:

- The major advantage of shopping close to the workplace is convenience.
- The items purchased most frequently by workers include cards, stationery, gifts, drugstore items, books and magazines, music/CDs and video rentals.
- With lesser frequency, workers buy office supplies, jewelry, apparel and accessories, linens, housewares, cosmetics and perfume, sporting goods and arts and crafts.
- The types of convenience goods perceived as being most needed by the daytime population are baked goods, take-home dinners and groceries.
- Workers will stop for after work activities (e.g., drinks, dinner and shopping) from time to time when such opportunities are available. Some will be inclined to come back to the business district to eat and shop on weekends.
- Most desired leisure/entertainment services are restaurants/bars and movie theaters. Banks and financial services, exercise studios, drycleaners/alterations, film processing, office supply, mail/packaging and copy centers are perceived as being desired types of personal or business services.

- *Visitors*

While Augusta has worked hard to target the visitor market, primary tourist attractions are located south of I-20 (e.g., downtown Augusta and Augusta National Golf Club). Despite this drawback, the study area is within a short drive of hotel/motel rooms concentrated along I-20 and Washington Road. Visitors looking for something to do in the evenings could be drawn to the study area, assuming that there are unique and quality businesses present.

Motorists traveling along I-20 are another potential market that could be attracted to the study area. The study area's immediate access to I-20 combined with limited retail offerings between the Atlanta metro area and Columbia increases the likelihood that motorists would be willing to pull off the highway to get something to eat or shop. Again, this assumes that a variety of quality and unique businesses are present and that they are marketed and visible to travelers.

The Georgia Department of Industry, Trade and Tourism estimates that in calendar year 2002, tourism generated more than \$24 billion throughout the State. In calendar year 2002, tourist expenditures directly supported approximately 207,100 tourism-related jobs³ in the State; a majority of these expenditures (39%) were in the food and drink industry. Tourist expenditures in Georgia generated almost \$682 million in state tax revenue.

³ Estimate includes total jobs regardless of hours worked rather than full time equivalent jobs.

The following types of businesses and services serve the visitors/tourist market:

- Restaurants and eating places representing a variety of cuisine and prices (one-of-a-kind restaurants making Martinez worth the trip)
- Cultural activities (music, theater, dance)
- Nightclubs/bars
- Non-manufactured goods such as arts/crafts/building arts
- Unique gift shops
- Convenience goods
- Recreational/sporting goods and services
- Apparel

Retail Development Guidelines

The single most important competitive advantage of retail development throughout the study area will be its ability to provide residents, area employees and visitors with a variety of shopping and entertainment options that are not only convenient but unlike what they can find elsewhere in the area. A large share of Martinez's major commercial development is concentrated along Bobby Jones Expressway and Washington Road, much of which is comprised of national retail chains in a ubiquitous commercial strip setting. The end result is that existing retail development in and around the study area offers nearby residents convenience, ample choices and an experience almost identical to hundreds of commercial areas throughout the nation: "Anywhere USA."

As new entertainment, shopping, housing and office uses are developed in the study area, it is imperative to the future success of this development that it adhere to several guiding principles to reinforce and enhance its distinct identity. These principles are reflected in the following guidelines:

- **Work to promote business clustering.** A critical component of retail development is the creation of a unified district with complementary businesses that benefit from each other's sales, customers and markets. The primary vehicle for developing unified groups of stores and businesses is clustering – creating mutual advantages in terms of pedestrian flow and shared markets between businesses. Successful clustering is dependent upon having the appropriate mix of businesses that will create market synergies and an uninterrupted grouping of businesses that draw customers to and through the entire district. A direct result of successful clustering is that it creates a critical mass of businesses that encourages customer traffic. When compatible or complementary businesses are clustered together, the likelihood increases that customers will go to more than one business and spend more money by making multiple purchases. "One purchase leads to another" is a time-tested, fundamental principle of consumer behavior. Educating business owners, property owners and real estate professionals about the importance of using this business development tool is critical.

- **Look beyond strip development.** Strip development is one-dimensional, encouraging customers to complete their tasks and leave as quickly as possible without any interaction with the community itself. Shopping centers that lack a sense of place, that fail to connect with other aspects of daily life and that do not heighten the joy/experience of shopping are ones that will loose in the long run. The study area should not only attract a mix of uses (residential, office, institutional, services, restaurant, entertainment and retail) but should be developed in such a way that residents, customers and workers feel connected to each other and their environment.
- **Minimize the use of the automobile.** A safe, pleasant and convenient atmosphere for pedestrians and bicyclists will encourage movement throughout the entire district. Although customers will more often than not use their cars to reach the study area, using design and land use planning to encourage pedestrian activity within the study area as well as enticing residents and workers to walk to shopping and entertainment will enliven the overall area, reduce traffic and invoke a sense of community.
- **Consistent architectural scale and style.** Honoring the historic character of the community through consistent design and scale will elevate local residents' comfort level with new development and provide shoppers with modern day goods and services in a historic, small town setting, which is increasingly hard to find.
- **Focus on attracting unique businesses and activities.** Offering unique goods and services is the best way to draw multiple target markets – area employees, residents and visitors – to the study area. One-of-a-kind mom-and-pop restaurants (e.g., sidewalk cafes, dessert shops, home cooking, ethnic cuisine, etc.) or shops that focus on customer service and, perhaps, have ties to the community will be the easiest to attract to the study area and will contribute to the its sense of place (i.e., “place making” businesses). While national retailers can act as anchors, smaller, unique stores should be a major component of business recruitment.
- **Use land resources efficiently.** Work to reuse existing sites (e.g., underutilized strip centers) and encourage infill development. Ultimately, the study area should be densely developed core area with a mix of residential, commercial, cultural and office uses.

RESIDENTIAL MARKET ANALYSIS

The residential market analysis is focused on the for-sale and rental residential markets in the Martinez area. The residential market area is defined as a 25-minute drive from the study area and is considered to be the area from which a majority of potential study area residents will be drawn. Using demographic data presented in the Demographic Overview (e.g., population growth, household income data) and 2000 Census data, estimates of potential demand for the for-sale and rental sectors for the 2003-2013 period are provided. Estimated potential demand for for-sale and rental housing is calibrated with Lifestyle data to help determine the proportion of households in the market area that are realistic target markets for residential development in the study area.

Potential Demand for For-Sale and Rental Housing

A statistical demand analysis was performed for the residential market area to estimate the potential market depth for for-sale housing (Exhibit HD-1). Even though this analysis uses finite numbers, the end result (i.e., potential market support) should be interpreted as an approximation of market depth that is balanced with the characteristics of the competitive supply.

The two main sources of annual potential demand for housing are new household growth and turnover. New household growth is traditionally used to project market growth and is based on population and household growth projections. The analysis uses the average annual increase in population beginning with the 2003 estimated household base and the projected 2003-2013 annual increase in new households.

In both the owner and renter demand analyses, the more quantitatively significant source of potential demand, turnover, has as a base the estimated number of owner or renter occupied units that will exist within the market area during the next ten years. Projected owner or renter occupied households are qualified or segmented by owner or renter turnover rates (derived from the 2000 Census).

New households that will potentially be owners are qualified by Lifestyle group, income and household size. Recognizing that potential demand for study area housing will depend on housing preferences of market area households, Lifestyle data are used to narrow the estimated potential demand to include households that would be most attracted to new housing developed in the study area (e.g., single-person households, empty nesters, professional couples with few or no children). In other words, the appeal of residential development in the study area will vary depending on a household's characteristics or preferences. For instance, a large family may demand a house with a big yard in a suburban setting over a loft-style home in a mixed-use setting.

It is assumed that a majority of prospective homebuyers have annual incomes of \$35,000 and higher and live in one to three person households. Based on the estimate that 67% of market area households will own rather

than rent and that 70% of new households moving into the market area will own their homes, Exhibit HD-1 estimates that over the next ten years 1,190 households will be potential buyers of higher density, new market rate housing built in the market area each year.

Exhibit HD-1

POTENTIAL ANNUAL DEMAND ANALYSIS FOR FOR-SALE UNITS
Residential Market Area
2003-2013

New Household Demand		Turnover	
Annual New Households (1)	1,638	Total Households (1)	129,614
Owner Propensity	70%	Owner Propensity	67%
Number	1,147	Number	86,841
Target Market Adjustment (2)	20%	Turnover Rate (5)	10%
Number	229	Number	8,684
Income Qualified (3)	59%	Target Market Adjustment (6)	25%
Number	135	Number	2,171
Household Size Qualified (4)	74%	Income Qualified (7)	59%
Sub-Total	100	Number	1,281
		Household Size Qualified (8)	73%
		Sub-Total	935
Adjustment Factor (9)			15%
Total Potential Annual Market Demand			1,190

1. ESRI BIS
2. Based on Lifestyle data, estimated proportion of new households to whom the proposed type of housing would appeal.
3. Estimated proportion of new households with annual incomes of \$35,000 and greater.
4. Estimated proportion of new households with 1, 2 and 3 persons.
5. U.S. Bureau of the Census estimate of the number of owner households that turnover within a 15 month period.
6. Based on Lifestyle data, estimated proportion of existing market area households to whom the proposed type of housing would appeal.
7. Estimated proportion of existing households with annual incomes of \$35,000 and greater.
8. Estimated proportion of new households with 1, 2 and 3 persons.
9. Adjustment for households that fall outside of the model.

Sources: Marketek, Inc.; Census 2000; ESRI BIS

Exhibit HD-2 presents the potential demand for market rate rental product within the market area. Similar to Exhibit HD-1, households are qualified by Lifestyle group, income and household size. One to three person households with annual incomes between \$25,000 and \$50,000 are represented in Exhibit HD-2. An estimated 1,335 annual households in the market area are potential renters at market rate projects set in a mixed-use setting. The potential demand analysis completed for this study does not include prospective households from outside the market area that would be drawn to the study area as redevelopment progresses.

Exhibit HD-2

POTENTIAL ANNUAL DEMAND ANALYSIS FOR RENTAL APARTMENT UNITS
Residential Market Area
2003-2013

New Household Demand		Turnover	
Annual New Households (1)	1,592	Total Households (1)	129,614
Renter Propensity	30%	Renter Propensity	33%
Number	478	Number	42,773
Target Market Adjustment(2)	20%	Turnover Rate (5)	49%
Number	96	Number	20,959
Income Qualified (3)	29%	Target Market Adjustment(6)	25%
Number	28	Number	5,240
Household Size Qualified (4)	76%	Income Qualified (7)	29%
Subtotal	21	Number	1,519
		Household Size Qualified (8)	75%
		Sub-Total	1,140
Adjustment Factor (9)			15%
Total Potential Annual Market Demand			1,335

1. ESRI BIS
2. Based on Lifestyle data, estimated proportion of new households to whom the proposed type of housing would appeal.
3. Estimated proportion of new households with annual incomes of \$25,000-\$50,000.
4. Estimated proportion of new households with 1, 2 and 3 persons.
5. U.S. Bureau of the Census estimate of the number of renter households that turnover within a 15 month period.
6. Based on Lifestyle data, estimated proportion of existing market area households to whom the proposed type of housing would appeal.
7. Estimated proportion of existing households with annual incomes of \$25,000-\$50,000.
8. Estimated proportion of new households with 1, 2 and 3 persons.
9. Adjustment for households that fall outside of the model.

Sources: Marketek, Inc.; Census 2000; ESRI BIS

EXHIBIT HD-3

PRELIMINARY FOR-SALE HOUSING PROGRAM
Residential Market Area and Study Area Capture
Ten-Year Program

	Potential Demand for New For-Sale Housing Units (1)	Study Area Capture Rate	Total Study Area Capture
Year 1	1,190	3%	36
Year 2	1,190	3%	36
Year 3	1,190	3%	36
Year 4	1,190	4%	48
Year 5	1,190	4%	48
Year 6	1,190	4%	48
Year 7	1,190	4%	48
Year 8	1,190	4%	48
Year 9	1,190	5%	60
Year 10	1,190	5%	60
Total	11,905	4%	464

1. As shown in Exhibit HD-1

PRELIMINARY RENTER HOUSING PROGRAM
Residential Market Area and Study Area Capture
Ten-Year Program

	Potential Demand for New Rental Housing Units (2)	Study Area Capture Rate	Total Study Area Capture
Year 1	1,335	5%	67
Year 2	1,335	5%	67
Year 3	1,335	5%	67
Year 4	1,335	5%	67
Year 5	1,335	6%	80
Year 6	1,335	6%	80
Year 7	1,335	6%	80
Year 8	1,335	7%	93
Year 9	1,335	7%	93
Year 10	1,335	7%	93
Total	13,348	6%	788

2. As shown in Exhibit HD-2

PRELIMINARY HOUSING PROGRAM
Study Area Capture of For-Sale and Rental Product
Ten-Year Program

	Potential Demand for New Rental and For-Sale Housing Units	Percentage of For-Sale Units	Percentage of Rental Units
Year 1	102	35%	65%
Year 2	102	35%	65%
Year 3	102	35%	65%
Year 4	114	42%	58%
Year 5	128	37%	63%
Year 6	128	37%	63%
Year 7	128	37%	63%
Year 8	141	34%	66%
Year 9	153	39%	61%
Year 10	153	39%	61%
Total	1,252	37%	63%

Sources: Marketek, Inc.; Census 2000; ESRI BIS

Based on an evaluation of the housing market in the Martinez area, planned and proposed physical improvements in the study area, the expansion of the study area's position as a mixed-use center and our experience in facilitating residential development in comparable areas, Marketek estimates that during the first ten years of development, approximately 1,252 units of market rate for-sale and rental housing units could be absorbed in the study area (Exhibit HD-3 on the previous page). Again, this estimate is narrowed via Lifestyle data to include only households that would be most interested in living in a higher density, mixed-use environment.

Within the estimated demand for 1,252 residential units in the study area, 37% (or 464 units) is for-sale product and 63% (or 788 units) is rental product. Marketek estimates that the study area has the potential to capture 4% of market area demand for higher density, for-sale product between 2003 and 2013 and 6% of demand for rental product.

The projection for the potential demand for housing in the study area assumes that there will exist marketable for-sale and rental housing product and that a marketing program for new housing will be underway. The housing types would include renovation, adaptive re-use of existing structures and new construction.

While the conclusion that there is unmet potential demand for housing in the study area is difficult to quantify directly, the following evidence exists to support this conclusion:

- Strong absorption rates at newly developed for-sale developments in the Martinez area, especially north of the study area.
- A limited amount of newly developed rental product with attractive amenity packages in the area.
- Strong occupancy rates at nearby rental communities surveyed, none of which offer an "urban, mixed-use experience."
- Access to major employment centers via I-20, Bobby Jones Expressway and Washington Road.
- A growing national trend that reveals a strong demand for live/work/play environments. Consumers are increasingly demanding culture, community and convenience, something that is typically hard to find in suburban environments.
- Limited supply of for-sale and rental housing developed within a mixed-use setting within the market area.

In terms of expected prices of new housing located in the study area, opening price points of for-sale units should range from \$80,000 to \$140,000. More affordable units will appeal to young professionals who either work in the area or commute to jobs throughout the MSA in exchange for being part of a vibrant, mixed-use community. Niche

projects that have a small number of units and unique architectural style have been popular in other cities. Strong pre-sales activity was evident among projects surveyed. While many of these projects have sales prices that exceed \$140,000, it is our opinion that when unit prices rise above this level, demand will begin to thin out. However, there is clearly demand for units priced at \$140,000 and up – just a smaller proportion.

Based on current monthly rents at the market rate rental communities in the competitive market area, market rents in the general range of \$650 to \$850 for a two-bedroom unit would be achievable in the study area. These rents justifiably exceed average rents at projects surveyed as the type of rental product envisioned for the study area will be new, urban, accessible and have amenities offered at some of the more recently developed rental communities in the area.

Community and unit amenities at competitive rental projects as well as a recent national survey of renters conducted by the National Association of Home Builders indicate that convenient, secure parking should be provided with at least one space per unit at no charge. Community features should include a laundry room, an exercise facility, a pool and security measures. Washer/dryer hookup or washer/dryer, balcony, extra storage, dishwasher/disposal, cable-ready and high-speed Internet access should be standard unit features.

Live/work units, both for-sale and rental, should be considered to accommodate growing numbers of people who are seeking larger than average space that is adaptable to living and working. These units should average from 1,200 to 1,500 square feet and be priced according to finish.

As housing development proceeds in the study area and a critical mass of units is created, the absorption of housing units will gain momentum and boost prices. New housing development will act as an anchor that will attract businesses, services and activities, which in turn will enliven the overall district.

Target Markets for Residential Development

Early residents of newly developed housing in the study area are likely to be relatively mobile, well educated, active and somewhat adventuresome. They will have few or no children. Based on experience in other communities, employees working in or close to the study area should be an initial target market for new housing. These prospective residents will primarily include young people, singles and couples with few or no children and empty nesters who are couples or single persons with grown children. Empty nesters and childless individuals who are in their prime career and pre-elderly years will be significantly more flexible in terms of housing and migration patterns than were previous generations at this age. Experience in other communities suggests that these early prospects will have professional, managerial, administrative and clerical occupations. Table HD-4 provides a generalized summary of primary target markets for residential development in the study area.

As housing development in the study area gains momentum, the demand for new housing will be augmented by groups outside of the market area such as married couples with and without children, empty nesters, retirees and professionals that work within commuting distance of their jobs but desire a small town setting. Increasingly, homeowners are tired of auto-centric, cookie-cutter developments that prevail in the suburbs.

EXHIBIT HD-4

TARGET MARKET CHARACTERISTICS FOR NEWLY DEVELOPED HOUSING

	For-Sale Product	Rental Product	Live/Work Units For-Sale and Rental
Occupation Age Household Size Income Motivations/Preferences	Entry-Level Professionals 25 to 35 1 to 2 persons, few with children \$35,000-\$50,000 Access to work/downtown activities Location with identity/sense of place Tired of rentals/first time buyer Investment and resale important Seek vibrant, mixed-use setting Relatively mobile	Service, technical, administrative 25 to 50 1 to 2 persons, some with children \$25,000-\$40,000 Close to work/downtown activities Value convenience/security Highly mobile	Artists/Professionals 25 to 50 1 to 2 persons, few children \$35,000+ Seek urban lifestyle Seek large adaptable spaces Access to suppliers, customers Relatively mobile
Occupation Age Household Size Income Motivations/Preferences	Higher Level Professionals 30 to 50 1 to 2 persons, some with children \$50,000+ Access to work/downtown activities Move-up or move-over buyer Seek vibrant, mixed-use setting Location with identity/sense of place Investment and resale important Relatively mobile	Entry-Level Professionals 25 to 35 1 to 2 persons, few with children \$30,000-\$40,000 Close to work/downtown activities Seek vibrant, mixed-use setting Location with identity/sense of place Relatively mobile	Creative Advertising, marketing, arts, film & music, software developers, inventors, photographers, designers Professionals More traditional fields of accounting/finance, education, law, various types of consulting
Occupation Age Household Size Income Motivations/Preferences	Business Owners/Operators 30 to 60 1 to 2 persons, few with children \$40,000+ Access to work/downtown activities Individualized unit Relatively settled	Higher Level Professionals 30 to 50 1 to 2 persons, few with children \$40,000+ Close to work/downtown activities Location with identity/sense of place Highly mobile Seek vibrant, mixed-use setting	
Occupation Age Household Size Income Motivations/Preferences	Retirees 55+ 1 to 2 persons \$35,000 or available equity Close to businesses/services Enjoy community/activities Less maintenance, more security Move-over, move-down buyer Highly settled	Retirees 55+ 1 to 2 persons \$30,000+ Close to businesses/services Enjoy downtown community/activities Less maintenance, more security Location with identity/sense of place Relatively settled	

Source: Marketek, Inc.

Residential Development Guidelines

While the immediate potential for study area housing appears bright, there are several key factors that need to be considered for the long-term success of new housing. Successful housing programs throughout the nation seem to have the following common elements:

- **Commitment to Residential Development.** Local government needs to make a strong commitment to housing development in the study area with appropriate land use regulatory policies, assistance with land

acquisition, creative financing to bridge economic gaps, tax incentives and adequate infrastructure. A continuing commitment from the local government to support new housing is critical to nurture developer and resident confidence, as well as to enhance financial feasibility.

- **Environment.** Significant challenges to ensuring a high quality of life are not only economic but also environmental. Environmental issues relate to public image, safety, parking, traffic flow, design and architecture, street life and creating a sense of community.
- **Security.** New housing located in the study area should include security features such as alarm systems, controlled access to parking and interior areas, exterior lighting, intercoms, illumination of all areas where residents circulate and design features that discourage crime. Housing units that are elevated above retail and parking foster a sense of security. While security features are a prime marketing asset, it is vitally important that they are not so overwhelming that they create a feeling of fortification between the development and the surrounding community.
- **Parking.** Secured, convenient parking is a requirement for housing. Experience in other communities has shown that many prospective residents see a possible lack of parking as a disadvantage of mixed-use living. While parking is a necessity for housing development, it is important that it is well designed and integrated into the community (e.g., underground parking or landscaped surface parking hidden from the street).
- **Public Relations.** Working with the local media to highlight success stories and monitoring construction throughout the study area will help convince target markets that new housing in the study area is an attractive and unique lifestyle choice. Other effective forms of communication include newsletters and websites that keep potential residents up-to-date on special events and redevelopment activity.
- **Quality Product.** New housing must offer high quality product in terms of design and amenities. The challenge is balancing what consumers can pay with what they want. The most frequently desired unit amenities will likely include: washer/dryer, security system, on-site parking, patio or balcony, storage space, interesting views/architecture and windows/natural light.
- **Design Qualities.** The design of new construction should relate to the surrounding community. The new residential development should be distinctive and not “Anywhere USA.” Suburban-style floor plans need to be avoided since this is not what most town center residents are seeking. As mentioned earlier in this report, niche projects that have a small number of units and unique architectural style have proven popular in other cities, particularly in the for-sale market.

- **Support Services.** Many activities of daily life should occur within walking distance of residential development allowing independence for those who choose not to drive. Although study area residents will more than likely use their cars to commute to work, the promise of being able to walk to shop, eat out or do errands is a significant selling point for new housing. Besides proximity to restaurants and shopping, study area residents will desire access to groceries and convenience goods, pharmaceutical services, a post office and a range of services such as dry cleaner/laundry, apparel and footwear repair, video rental, film processing, hairstyling, etc.